

# **Enron Global & Staff Functions 2000 Goals**

EC004392391

# **2000 Enron Strategic Goals Finance**

**Goal: Outperform the BBB+ Bond Index.**

**Status: Complete**

**Enron has out performed the BBB+ Bond Index the entire year at all maturities by an average of 15 basis points.**



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# **2000 Enron Strategic Goals Finance**

**Goal: Create merchant investment hedging vehicle to reduce downside earnings exposure.**

**Status: Complete**

**Project Raptor**

- **Provided hedging mechanism for over \$1.5 billion of notional public and private equity positions.**
- **Mitigated \$460 million of equity losses.**
- **Supplied funds flow of \$300 million.**

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# **2000 Enron Strategic Goals Finance**

**Goal: Provide platform(s) for increased capital velocity to achieve return on equity target.**

**Status: Complete**

**Established numerous vehicles to stimulate capital markets and reduce use of Enron equity -**

- **Raptor**
- **Hawaii 125**
- **Osprey**
- **Others**

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# **2000 Enron Strategic Goals**

## **Strategic Sourcing**

**Goal:** Implement strategic sourcing initiative resulting in \$100 million of global savings and e-commerce capabilities to market services to third parties.

**Status:** Complete

- Negotiated savings of approximately \$120 million. \$60 million were realized in 2000.
- Completed pre-feasibility of offering eProcurement services to third parties and determined that such a service was inconsistent with Enron's view of future market development and eCommerce.

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# **2000 Enron Strategic Goals Risk Assessment and Control**

**Goal: Total foreign exchange exposure quantified and communicated to the Board of Directors.**

**Status: Complete**

- **Project completed with final results reported to Finance Committee on December 11.**
- **The notional exposure has been quantified and reported to the Board of Directors.**
- **A template and process has been established to be able to easily report changes in the future.**

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# **2000 Enron Strategic Goals Accounting**

**Goal: Successfully complete implementation of SAP.**

**Status: Complete**

- **SAP was successfully implemented on time and within budget.**
- **Favorable opinion from AA on internal controls.**

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# **2000 Enron Strategic Goals Investor Relations**

**Goal:** Continue delivery of a coordinated and targeted global investor communication, generating premium valuations for Wholesale Energy, Retail Energy and Broadband Services.

**Status: Complete**

- Coordinated and targeted investor communications was aggressively carried out which contributed to total returns and increased valuation levels.
- Meetings with investors were held in 37 cities worldwide, at over 26 industry conferences, resulting in over 450 one-on-one meetings.

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# **2000 Enron Strategic Goals**

## **Human Resources**

**Goal:** Improve the efficiency of the HR organization by decreasing costs 20%.

**Status:** Complete

- Corporate HR costs have been reduced from 2000 plan to 2001 plan by \$11 million or 48%.
- Overall, Enron HR cost have been reduced by \$12 million (19%) from 2000 plan to 2001 plan.
- Costs per employee have been reduced in the 2001 plan to \$2,545 from \$4,004 in the 2000 plan.



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# **2000 Enron Strategic Goals Human Resources**

**Goal: Develop an Enron measure for return on human capital.**

**Status: Complete**

- **In the Financial Reviews this year, the following were reviewed:**
  - **Number of MDs & VPs**
  - **Ratio of Commercial to Non-commercial FTEs - the average is 1:4, with the best ratios of 1:2 in both EEL and ENA. The target is 1:1.**
- **Overall turnover was reviewed as was turnover at specific performance levels.**
- **Each business unit reviewed revenue and net income per employee.**

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# **2000 Enron Strategic Goals**

## **Public Affairs**

**Goal:** Expansion of influence in standard setting process for wholesale and retail energy markets.

**Status:** Complete

- Launched a “Coalition for Uniform Business Rules” with industry and public policy representatives.
- Scope has been expanded to include both gas and power market rules.



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# **2000 Enron Strategic Goals Public Affairs**

**Goal:** Significant, measurable improvement in Enron's reputation (familiarity and favorability) through the successful launch of the brand campaign, establishment of a "21<sup>st</sup> Century Company" reputation with key international organizations and continued active media relations to produce favorable earned media.

**Status: Complete**

- Enron is covered as a leading company in the media, not just an energy company. Coverage has moved from the trade press and occasional mentions in major business publications to feature coverage in the major business publication and mainstream press.
- Enron has successfully launched a new brand campaign built around the themes of innovation and questioning the status quo.
- Enron also successfully launched a corporate responsibility program to manage reputation risk with the NGO community.



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# **2000 Enron Strategic Goals Diversity - Visions & Values**

**Goal:** Be named by Fortune Magazine as one of the top 10 “100 Best Companies to Work for in America”.

**Status:** Unknown

Results will not be available until mid-December. Indications are that Enron may have moved from 24 to the top 10. A photo shoot has been scheduled, which historically has only been done for the top 10 companies.



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# 2000 Enron Strategic Goals Scorecard Summary

	<u>Number</u>	<u>Percent</u>
Complete	42	72%
In Progress	6	10%
Not Complete	9	16%
Change in Business Strategy	1	2%
Total Goals	<u>58</u>	<u>100%</u>

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